



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 05-25, Rhode Island State Income Tax Withholding

Date: May 23, 2005

To: Holders of TAXES (State of Rhode Island only)  
Personnel User Groups  
T&A Contact Points in Rhode Island

Beginning with wages paid for Pay Period 10, the National Finance Center (NFC) will make the following changes to the state of Rhode Island income tax withholdings:

- The exemption allowance will increase from \$3,100 to \$3,200.
- The Single and Married withholding tables will change.
- The nontaxable flexible spending accounts (health care and dependent care) deductions statement will be added to step 2 on the state tax formula.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov).

MARK J. HAZUDA, Director  
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# Rhode Island State Income Tax Information

<b>State Abbreviation:</b>	RI
<b>State Tax Withholding State Code:</b>	44
<b>Acceptable Exemption Form:</b>	None
<b>Basis For Withholding:</b>	Federal Exemptions
<b>Acceptable Exemption Data:</b>	None
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	None
<b>Additional Information:</b>	A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

## Withholding Formula ►(Effective Pay Period 10, 2005)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) ►(includes flexible spending account - health care and dependent care deductions)◄ from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute taxable income:

$$\text{Exemption Allowance} = \text{►\$3,200◄} \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual Rhode Island tax withholding:

### Tax Withholding Table Single

If the Amount of Taxable Income Is:		The Amount of Rhode Island Tax Withholding Should Be:			Of Excess Over:
Over:	But Not Over:				
\$ 0	\$ 2,650	\$ 0.00	plus	0.00%	\$ 0
2,650	►31,500	0.00	plus	3.75%	2,650
31,500	69,750	1,081.88	plus	7.00%	31,500
69,750	151,950	3,759.38	plus	7.75%	69,750
151,950	328,250	10,129.88	plus	9.00%	151,950
328,250	and over	25,996.88	plus	9.90%	328,250◄

If the Amount of Taxable Income Is:		Married				The Amount of Rhode Island Tax Withholding Should Be:		Of Excess Over:	
Over:	But Not Over:								
\$ 0	\$ 6,450	\$	0.00	plus	0.00%	\$	0		
6,450	▶ 54,750		0.00	plus	3.75%		6,450		
54,750	116,600		1,811.25	plus	7.00%		54,750		
116,600	187,900		6,140.75	plus	7.75%		116,600		
187,900	331,500		11,666.50	plus	9.00%		187,900		
331,500	and over		24,590.50	plus	9.90%		331,500	◀	

7. Divide the annual Rhode Island tax withholding by 26 to obtain the biweekly Rhode Island tax withholding.